

Senate Study Bill 3208 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act exempting from the sales tax the sales price of a diesel
2 fuel trailer or seed tender used primarily in agricultural
3 production.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 8, Code 2014, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *d.* (1) For purposes of this subsection,
4 the following items are exempt under paragraph "a" when used
5 primarily in agricultural production:

6 (a) A diesel fuel trailer, regardless of the vehicle to
7 which it is to be attached.

8 (b) A seed tender, regardless of the vehicle to which it is
9 to be attached.

10 (2) For purposes of this paragraph:

11 (a) "*Fuel trailer*" means a trailer that holds dyed diesel
12 fuel or diesel exhaust fluid and that is used to transport such
13 fuel or fluid to a self-propelled implement of husbandry.

14 (b) "*Seed tender*" means a trailer that holds seed and that
15 is used to transport seed to a self-propelled implement of
16 husbandry and load seed into a self-propelled implement of
17 husbandry.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill exempts from the sales tax the sales price of
22 a diesel fuel trailer or a seed tender used primarily in
23 agricultural production, regardless of the vehicle to which
24 the diesel fuel trailer or seed tender is to be attached.
25 Under current law, such items are not exempt from sales tax
26 unless they are directly and primarily used in production of
27 agricultural products and are customarily drawn or attached to
28 self-propelled farm implements.

29 "Fuel trailer" and "seed tender" are both defined in the
30 bill.

31 By operation of Code section 423.6, an item exempt from the
32 imposition of the sales tax is also exempt from the use tax
33 imposed in Code section 423.5.